



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0657	<b>Title:</b>	Study taxation of oil and natural gas property
<b>Primary Sponsor:</b>	Stahl, Wayne	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$13,956	\$4,531	\$0	\$0
Other	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$13,956)</u>	<u>(\$4,531)</u>	<u>\$0</u>	<u>\$0</u>

### **Description of fiscal impact:**

House Bill 657 requires the revenue and transportation interim committee (RTIC) to appoint a subcommittee to study the classification, valuation, and taxation of oil and natural gas property. The fiscal impact relates to subcommittee work days required to complete the work.

### **FISCAL ANALYSIS**

#### **Assumptions:**

1. The Revenue and Transportation Interim Committee is an interim committee of the legislature as defined in 5-5-202, MCA, with an operational budget in HB 2. The budget anticipates the committee will meet eight times during the 2011 legislative interim.
2. The RTIC would appoint a six-member subcommittee to conduct the study and report to the full committee. The subcommittee would require eight meeting days during the 2011 legislative interim to complete the work required. To minimize travel costs, the subcommittee would hold its meetings in conjunction with meetings of the full RTIC.
3. Under 5-2-302, MCA, subcommittee members would be entitled to salary and expense reimbursement at a cost of \$ 18,127 (\$7,569 for salary, \$10,558 for lodging and meals) for the biennium.

4. Each subcommittee of an interim committee requires the same commitment of staff resources (research, legal, secretarial) as a separate full committee. Staff support for the subcommittee created in HB 657 would be provided from within existing legislative services division resources.
5. In addition to the subcommittee created under House Bill 657, four members of the RTIC are required to serve as members of the Demographic, Economic, and Governmental Trend Analysis Interim Committee created by HB 81. The statutory requirements of rule review, program evaluation, and monitoring required under 5-5-230, MCA, and the work required by HB 657 and HB 81 may limit the assignment of additional interim work to the RTIC.
6. Appropriations to the interim committees' program are biennial to allow for variances in committee work schedules and the two-year legislative cycle. For the purposes of this fiscal note, the costs are presented in an annual format assuming most of the subcommittee's costs will be incurred during the first year of the biennium.
7. The \$20,000 biennial appropriation provided in HB 657 is sufficient to support the subcommittee work defined in the bill.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Personal Services	\$5,677	\$1,892	\$0	\$0
Operating Expenses	\$7,919	\$2,639	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$13,596</b>	<b>\$4,531</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$13,596	\$4,531	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$13,596</b>	<b>\$4,531</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$13,596)	(\$4,531)	\$0	\$0

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*